

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 DODE-00 PM-05 H-01 L-03 PA-01 /096 W
-----062470 180408Z /14

R 170818Z FEB 78
FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC 2501
INFO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY MANILA
AMEMBASSY SINGAPORE

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E.O.11652: N/A
TAGS: ECON, ASEAN
SUBJECT: US-ASEAN CONSULTATIONS

REF: (A) MANILA 2401, (B) BANGKOK 3868, (C) SINGAPORE 0687,
(D) BANGKOK 4632

1. EMBOFFS MET WITH KASSIM HUSSEIN, MFA DIRECTOR GENERAL FOR ASEAN, WHO PARTICIPATED IN FEBRUARY 4 TALKS IN BANGKOK. KASSIM GENERALLY GAVE SAME VIEW AS THAT PRESENTED IN MANILA BY AMBASSADOR MANALO. HE MENTIONED, HOWEVER, THAT THE STANDING COMMITTEE HAD THE IMPRESSION THAT THE U.S. WAS INTERESTED IN SEEING THE NEXT US-ASEAN MEETING HELD AT THE MINISTERIAL LEVEL. HE AND HIS COLLEAGUES WERE OPPOSED TO THIS BECAUSE SUCH MEETINGS TEND TO RAISE EXPECTATIONS TO AN UNREALISTICALLY HIGH LEVEL. HE BELIEVES THAT IT IS UNLIKELY THAT MUCH REAL PROGRESS IS LIKELY TO COME OUT OF NEXT MEETING AND FEELS FOR THIS REASON, MEETINGS AT THE OFFICIAL LEVEL ARE PREFERABLE.

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2. KASSIM GAVE THE IMPRESSION THAT ASEAN STANDING COMMITTEE HAD DEVOTED RELATIVELY LITTLE TIME FOR CONSIDERATION OF US-ASEAN MATTERS DURING BANGKOK MEETINGS. HE STATED THAT IT WOULD BE MOST HELPFUL TO ASEAN IF U.S. WOULD FORMALLY REPLY TO MEMORANDUMS PRESENTED BY ASEAN IN MANILA. HE FELT ONE OF THE MOST BENEFICIAL RESULTS OF THIS WOULD BE TO BRING EXPECTATIONS MORE IN TOUCH WITH REALITY

GIVEN LACK OF FLEXIBILITY USG LIKELY TO BE ABLE TO
DEMONSTRATE IN MOST MATTERS OF INTEREST TO ASEAN, PARTICULARLY
TRADE AND COMMODITY POLICY.

3. KASSIM ALSO REFLECTED THE CONFUSION OF HIS ASEAN
COLLEAGUES OVER THE USG POSITION ON TAX DEFERRAL. HE
SEEMED TO FEEL THAT THE U.S. HAD GIVEN VERBAL ASSURANCES
IN MANILA THAT ADMINISTRATION WOULD NOT PROPOSE ABOLITION
OF TAX DEFERRAL. ECON COUNSELOR REPEATED POSITION AS
GIVEN BY UNDERSECRETARY COOPER IN MANILA, I.E., PRESIDENT
CARTER WAS AWARE OF ASEAN'S VIEWS IN THIS MATTER AND WOULD
TAKE THEM INTO CONSIDERATION WHEN REACHING A DECISION ON
TAX DEFERRAL. HOWEVER, THERE WERE SIGNIFICANT DOMESTIC
POLITICAL CONSIDERATIONS, AND COOPER HAD SAID HE COULD NOT
PREDICT WHAT THE PRESIDENT WOULD DECIDE TO RECOMMEND ON
THIS ISSUE. ECON COUNSELLOR SAID THE MATTER WAS NOW IN
CONGRESSIONAL HANDS, AND THAT IT WAS IMPOSSIBLE TO PREDICT
THE OUTCOME, ESPECIALLY IN AN ELECTION YEAR.
MILLER

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